**Wednesday, December 6, 2023, 6:00 p.m.**

**325 North Sibley Avenue, Litchfield, MN 55355** (Meeker County Courthouse)

**Members Present:** Commissioners Tiffany Barnard, Mike Brouwer, Kevin Crowley, Doug Erickson, Brent Guyan, Tony Hausladen, Jon Hawkinson, Jill Hoff, Roger Imdieke, Doug Krueger, José Luciano, Maureen Melgaard-Schneider, Robert Moller, Shawn Mueske, Rollie Nissen, Kiza Olson, Reagan Quinn, Yodee Rivera, Lorallen Schmeling, Dave Sebesta, Carl Shuldes, Berit Spors, and Jeff Vetsch.

**Members Absent:** Commissioners Tom McDonnell, Christopher Rowan, Steve Schmitt, and Paul Simonsen.

**Staff Present:** Executive Director Eric Day, Finance Director Darla Bajari, Economic Developers Michelle Marotzke and Nate Reuss, Transportation & Community Planner Mike Nicholas, and Communications Specialist Ben Carlson.

**Staff Absent:** Regional Community Planner Ben Dolan

**Guests:**  None

**Call to Order:** Chairperson Shawn Mueske called the meeting to order at approximately 6:02 p.m.

**Pledge of Allegiance:** The Pledge of Allegiance was recited by all Commissioners and staff in attendance, led by Chairperson Mueske.

# **Introductions:** All present Commissioners and staff provided introductions. Additional introduction time was given to Commissioners Brent Guyan, Reagan Quinn, and Yodee Rivera, as this was their first Commission meeting.

# **Approval of Agenda:** Chairperson Shawn Mueske presented the agenda and called for any additions. Neither Executive Director Day, nor any Commissioners present offered any additions.

# Commissioner Doug Erickson moved to approve the agenda. Commissioner Dave Sebesta seconded the motion, which carried with no dissent.

# **Approval of September 13, 2023, Full Commission Meeting Minutes:** Commissioner and Commission Secretary Dave Sebesta informed the Commission that he had reviewed the minutes from the September 13, 2023, meeting within just days of that meeting and noted that he found no inaccuracies. Commissioner Rollie Nissen then moved to approve the September 13, 2023, Mid-Minnesota Development Commission meeting minutes. Commissioner Kevin Crowley seconded the motion, which carried with no dissent.

**Treasurer’s Report:** Commissioner and Commission Treasurer Kevin Crowley provided an overview of the Treasurer’s Report. The checking account balance, as of September 1, 2023, was $16,357.84. MMDC had receipts of $139,439.30 and expenditures of $122,400.95. The checkbook balance as of November 27, 2023, was $33,396.19. Commissioner Crowley also pointed to the investment information contained within the meeting materials packet. He noted that MMDC currently has $608,852.70 in investments. This in addition to MMDC’s savings account balance of $196,643.52.

Commissioner Robert Moller moved to approve the MMDC Treasurers Report, as presented. Commissioner and Treasurer Kevin Crowley seconded the motion, which carried with no dissent.

**Auditor’s Report:** Certified Public Accountant, municipal audit expert, and CDS CPAs and Advisors Partner Justin McGraw presented audit findings from the fiscal year ending June 30, 2023. Related audit documents were provided to all Commissioners in attendance (also sent to all Commissioners, via email, earlier in the day).

McGraw noted that MMDC staff were very helpful during the audit process and that things went quite well. No compliance issues were noted. As in previous audits, two Government Auditing Standards weaknesses were noted, in the area of Internal Control. They included the limited segregation of duties, which is not uncommon in a small organization, and the fact that auditor-prepared financial statements are assembled using MMDC-supplied data. McGraw encouraged Commissioners to continue scrutinizing budget reports and asking good questions to ensure good financial oversight.

An opportunity for questions and comments was offered, during which Commissioner Kevin Crowley requested clarification on the increase in long-term liability and decrease in deferred inflow related to pensions. McGraw explained that a new accounting standard came into effect in 2015. Prior to that, pension liability didn’t show up on balance sheets. However, it was determined that organizations are now secondarily liable. Each year, the Public Employees Retirement Association (PERA) issues a report. It shows MMDC’s portion of overall liability based on the demographics of those in the plan. The calculation used is very heavily reliant upon actuarial assumptions, future investment performance, length of pensioner life, etc. They do not always get this right. Recently, PERA’s investment returns came in lower than anticipated. Therefore, the gap between expected payout and assets increased, which increased MMDC’s portion of liability. This is amortized over several years to smooth the impact of the net pension change in liability. McGraw noted that MMDC would only be responsible for these liabilities in the unlikely scenario that PERA exhausted all investments and assets.

Director Day thanked McGraw for CDS’s diligence and professionalism during the audit process. Day also recognized and thanked MMDC Finance Director Darla Bajari for all of the work she did during the audit process. Chairperson Mueske thanked McGraw for his thorough presentation.

At the conclusion of the question and comment period, Commissioner Tiffany Barnard made a motion to approve the audit. Commissioner Robert Moller seconded the motion, which carried with no dissent.

without dissent.

# **Consent Agenda:** The meeting materials packet contained minutes from the following recent meetings for the consent agenda:

* 1. MMDC Comprehensive Economic Development Strategy Committee – September 13, 2023
  2. MMDC Personnel Committee – November 27, 2023
  3. MMRTCC Subcommittee – September 26, October 24, and November 28, 2023

Commissioner Rollie Nissen made a motion to approve the Consent Agenda. Commissioner Maureen Melgaard-Schneider seconded the motion, which carried without dissent.

# **Correspondence and Announcements:** Executive Director Eric Day had no additional correspondence or announcements to share.

**Staff Reports:** Chairperson Mueske referred to the written director and staff reports that were provided within the meeting materials packet and provided an opportunity for Commissioners to ask questions. There were no questions.

# **Old Business**

**Consideration of Suggested Updates to MMDC Bylaws:** Day pointed to a version of MMDC’s Bylaws, containing suggested revisions, contained within the meeting materials packet. He reminded the Commission that, at the September Commission meeting, he had presented suggested revisions to MMDC’s Bylaws. At that time, Commissioners were asked to consider recommendations so that action could be taken at the December meeting.

Day noted that, during the September meeting, he had noted that one of his suggestions was to allow Commissioners serving in the public interest to reside outside of the MMDC region when the most suitable individual is employed or otherwise serves within the region. Day also reminded that Commissioner Jon Hawkinson had made the point that this person would have opportunity to vote on matters that impact the MMDC budget, specifically the MMDC levy, while not residing within the region and not being personally subject to the levy’s financial impact. Day stated that, based on that, he had withdrawn this particular recommendation. Day then provided an overview of remaining suggested revisions, the most significant of which included:

* An improvement of the verbiage surrounding the filling of public interest vacancies. While the full roster would still be approved at MMDC’s June meeting, vacancies would be filled as they occur, reflecting current practice.
* Minor adjustment to the process for addressing Commissioner absentees, allowing the Commission Chair, Vice Chair, or staff working on their behalf to notify government units represented of excessive absences, in addition to the Commission secretary.
* Making it possible for Commissioners to request a special meeting via email and removing the facsimile option.
* Clarifying that meeting notices may be sent by staff, with oversight from the Commission secretary.
* Insertion of the previously omitted words “shall not”, creating the phrase: *“Unless authorized to do so by the Commission, or by a person the Commission designates, you shall not act on behalf of MMDC, or deal with MMDC, in any matter where you are in a conflict of interest or appear to be in conflict of interest, nor use your position, office, or affiliation with MMDC to pursue or advance your personal interests or those of a person described in the definition of “conflict of interest.”*
* Removal of MMDC’s Board of Directors. Day explained that, currently, MMDC’s Board of Directors includes all Commissioners who serve in an elected capacity (County Commissioners, Mayors and City Councilors, Township Board Members, and School Board Representatives). He noted that MMDC has not called a Board of Directors meeting in the last several years (since before his time as director). Day also stated that he has been unable to determine a good reason to forgo a meeting of the full Commission in favor of a Board of Directors meeting. He reminded that MMDC’s bylaws already do ensure a majority of our commissioners will be elected (16 elected commissioners and a maximum of 12 commissioners serving in the public interest).
* A change that would allow the Commission Chair to sit in on and, when needed for quorum, vote as if they were a regular committee member. Day noted that this may be useful in June, when there are a number of items that must be considered prior to the Commission’s annual meeting.
* A similar change that would allow the Vice chair to sit in on and, when needed for quorum, vote as if they were a regular committee member when the Commission Chair is unable to do so.
* A change that would improve consistency with MMDC’s revolving loan plans by clarifying that the full Commission need only approve loans of $60,000 or more, with RLF committees approving smaller loans.
* Adding direct deposit as a fund disbursement option.

Day stated he believed all other suggested changes were minor changes to verbiage only, to ensure consistency, remove typos, etc. He then informed the Commission that a motion would be needed to approve and accept any revisions to MMDC’s Bylaws.

Commissioner Doug Krueger, who sits on MMDC’s Bylaws Committee emphasized the need for elected officials to have good attendance at meetings, especially if the Board of Directors was removed. Day clarified that, currently, there is no mechanism within MMDC’s Bylaws that prevents action when public interest representing Commissioners are the majority in attendance. Day was not aware that this had ever confirmed at MMDC.

Commissioner Krueger than made a motion to accept the revisions to MMDC’s Bylaws, as presented. Commissioner Roger Imdieke seconded the motion, which carried with no dissent.

# **New Business – Action Items & Commission Business**

**Budget Revision:** Day pointed to the updated budget forecast provided in the meeting materials packet. He informed that MMDC has moved from a projected deficit to a projected surplus (at the end of the 2024 fiscal year). He noted that there were several assumptions made as part of this forecast, including:

* The receipt of $50,000 in revenue via the MN Department of Commerce Local Grant Development Assistance Program. Day informed that this program would help regional stakeholders connect with clean energy grants supported by the Infrastructure Investment and Jobs Act and Inflation Reduction Act. He noted that this Dept. of Commerce grant award is not a foregone conclusion but indicated his optimism.
* The hiring of a professional to carry out the work of the MN Department of Commerce’s aforementioned Local Grant Development Assistance program.
* A pause in the hiring of a new community planner to replace Ben Dolan, who is departing on December 22. Day said that he believes MMDC will need to refill this position at some point in the relative near future. However, he said that it’s possible a new MN Department of Commerce-focused person may have some capacity for planning in addition to providing energy grant assistance. Day noted that this might change if the McKnight Foundation provides additional dollars to help MMDC’s communities connect with state and federal grants or if the Minnesota Department of Transportation (MnDOT) comes through with increased funding for MMDC’s transportation planning assistance. Day informed that he was trying to be very strategic about when and how to fill the Community planner vacancy that will be left by Dolan.

Day stated that no action is necessary at this time but that he and Finance Director Bajari simply wanted to provide an update for the Commission. There were no questions or comments from the Commission about MMDC’s updated budget forecast for the current fiscal year.

**Consideration for an Increase in MMDC’s Capitalization Threshold:** Finance Director Darla Bajari informed that, during the audit, MMDC’s auditing professionals indicated it might be good to raise MMDC’s Capitalization Threshold. This due to the fact that things cost more than they did when the threshold was set at $500 quite some time ago. Bajari indicated that a $1,000 threshold would be more prudent at this point.

Day added that MMDC usually has very few capitalized purchases in a given year, typically one to two laptops per year.

Commissioner Kiza Olson made a motion to raise MMDC’s Capitalization Threshold from $500 to $1,000. Commissioner Lorallen Schmeling seconded the motion, which carried with no dissent.

**Consideration for an Increase in the Rate Charged for Highway 23 Coalition Fiscal Hosting:** Bajari informed the Commission that, since 2017, MMDC has charged the Highway 23 Coalition $75.00 per hour for professional services related to fiscal hosting services. She indicated that MMDC staff would like to raise that rate to $85.00 per hour, in-line with MMDC’s regular professional services rate.

Day added that, as this agreement was originally approved by the Commission, he thought it best to bring the rate change to the Commission for approval.

Commissioner Carl Shuldes made a motion to approve raising the professional services rate charged to the Highway 23 Coalition from $75.00 to $85.00 for fiscal hosting services. Commissioner Jon Hawkinson seconded this motion.

Discussion included a question from Commissioner Melgaard-Schneider as to whether MMDC should expect pushback on this rate increase from the Highway 23 Coalition. Bajari informed that, given the Coalition has become a bit more reliant upon MMDC assistance, she did not expect pushback. Bajari added that the Commission has struggled to keep a consistent treasurer and that she/MMDC has been asked to do more to help bridge that gap. With that, Commissioner Melgaard-Schneider inquired as to whether $85.00 per hour was enough.

Day informed that he would be bringing an across the board professional services rate increase to the Commission for their consideration in April or June. Day noted that some regional development commissions have set their rates at $100 per hour. Commissioner Doug Krueger expressed that he was glad to hear that this request would be brought forward. He noted that MMDC’s rates are below the competitive market rate.

With discussion concluding, the motion to raise the rate charged to the Highway 23 Coalition, from $75.00 to $85.00, for fiscal hosting services, carried without dissent.

**Consideration of a Resolution Needed to Allow a Minnesota Association of Governments Investment for Counties (MAGIC) Investment Option:** Bajari explained that the approval of the MAGIC investment tool would allow another option for MMDC’s investments. She noted that the interest rates are typically significantly higher (5.4% at the end of November). She indicated that this would be a good option for approximately $255,000 that is earning 3.06% interest with Heritage Bank. At those rates, the difference in interest earned would be over $5,800 per year.

Day added that Bajari has had discussion with other regional development finance directors and that no unexpected problems have presented. Day went onto say that, as this is a resolution, Robert’s Rules dictate that he should read the resolution, included within the meeting materials packet, aloud if any Commissioner requests it be read.

With no Commissioners requesting that the resolution be read aloud, Commissioner Doug Krueger made a motion to suspend the reading and adopt the resolution allowing for MMDC to add the Minnesota Association of Governments Investment for Counties (MAGIC) investment option for MMDC investments. Commissioner Robert Moller seconded this motion, which carried, without dissent, by roll call vote, after discussion.

Discussion included questions from Commissioner Kiza Olson. The first was a question as to whether MMDC’s funds could be removed without penalty. Bajari indicated that they could. Commissioner Olson’s second question was whether the MAGIC fund investment rate was fixed or variable. Bajari informed that the investment rate is variable.

The approved resolution is as follows:

**MAGIC Fund – Resolution to Join the Fund**

A resolution authorizing entry into a Joint Powers Agreement in the form of a Declaration of Trust establishing an entity known as **"Minnesota Association of Governments Investing for Counties"** and authorizing participation in certain investment programs in connection therewith:

**WHEREAS,** Minnesota Statutes Section 471.59 (the Joint Powers Act) provides among other things that governmental units, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties; and

**WHEREAS,** the MAGIC Fund was formed in October 1990 pursuant to the Joint Powers Act by the adoption of a joint powers agreement in the form of a Declaration of Trust by a group of Minnesota Counties acting as the Initial Participants thereof; and

**WHEREAS,** the Declaration of Trust, as amended, has been presented to this board; and

**WHEREAS,** the Declaration of Trust authorizes municipalities of the State of Minnesota to adopt and enter into the Declaration of Trust and become Participants of the MAGIC Fund; and

**WHEREAS,** this board deems it to be advisable for this county\* to adopt and enter into the Declaration of Trust and become a Participant of the MAGIC Fund for the purpose of the joint investment of this county's monies with those of other counties so as to enhance the investment earnings accruing to each; and

**WHEREAS,** this board deems it to be advisable for this county to make use from time to time, in the discretion of the officials of the county identified in Section 2 of the following Resolution, of the Fixed-Rate Investment Program available to Participants of the MAGIC Fund.

Now, therefore, be it resolved as follows:

**Section 1.** This county shall join with other counties in accordance with the Joint Powers Act by becoming a Participant of the MAGIC Fund and adopting and entering into the Declaration of Trust, which is adopted by reference herein with the same effect as if it had been set out verbatim in this resolution, and a copy of the Declaration of Trust shall be filed in the minutes of the meeting at which this Resolution was adopted. The treasurer of this county is hereby authorized to take such actions and execute any and all such documents as they may deem necessary and appropriate to effectuate the entry of this county into the Declaration of Trust and the adoption thereof by this county.

**Section 2.** This county is hereby authorized to invest its available monies from time to time and to withdraw such monies from time to time in accordance with the provisions of the Declaration of Trust. The following officers and officials of the county and their respective successors in office each hereby are designated as "Authorized Officials" with full powers and authority to effectuate the investment and withdrawal of monies of this county from time to time in accordance with the Declaration of Trust and pursuant to the Fixed-Rate Investment Service available to Participants of the MAGIC Fund:

List the name(s) and title(s) of the officer(s) and official(s) who will be authorized to invest and withdraw county monies in and from the MAGIC Fund and pursuant to the Fixed-Rate Investment Service. You may have any number of Authorized Officials; attach an additional list if necessary. *(This section should be the same as section 6 of the Master Account Application, "Authorized Personnel")*

Darla K Bajari Finance Director \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name Position Signature

Eric D. Day Executive Director \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name Position Signature

Print Name Position Signature

Print Name Position Signature

***The treasurer shall advise the MAGIC Fund of any changes in Authorized Officials.***

**Section 3.** The Trustees of the MAGIC Fund are hereby designated as having official custody of this county's monies, which are invested in accordance with the Declaration of Trust.

**Section 4.** State banks, national banks, and thrift institutions located either within or without the State of Minnesota which qualify as depositories under Minnesota law and are included on a list approved and maintained for such purpose by the Investment Advisor of the MAGIC Fund are hereby designated as depositories of this county pursuant to Minnesota Statutes Section 118.005 and monies of this county may be deposited therein. from time to time in the discretion of the Authorized Officials, pursuant to the Fixed-Rate Investment Service available to Participants of the MAGIC Fund.

It is hereby certified that the Mid Minnesota Development Commission (insert name of the county) duly adopted the Model Resolution at a duly convened meeting of the board held on the 6th day of December, 2023, and that such Resolution is in full force and effect on this date, and that such Resolution has not been modified, amended, or rescinded since its adoption.

**Signature of Treasurer Date**

\* *A County is defined in the Declaration of Trust as* a *County, or any "instrumentality" (as that term is defined in the Joint Powers Act or the Declaration of Trust) of a* *County. The definition of the term "instrumentality" or "County instrumentality" in the Declaration of Trust also includes all Regional Development Commissions or Regional Planning Agencies and any or all Metropolitan Agencies, Commissions or Districts. Counties and County instrumentalities are collectively referred to in the Declaration of Trust and in this resolution.*

**Approval of Regional Development & Grant Specialist Position Description:**  Day informed that a copy of the prepared Regional Development & Grant Specialist Position Description was included within the meeting materials packet. He explained that this position description would be for the professional MMDC would need for our Department of Commerce Grant related work – helping regional stakeholders secure federal clean energy grant funding. He also informed that MMDC’s Personnel Committee met on Monday, November 27 and, after reviewing the position description, approved a motion to recommend approval by the full MMDC Commission.

Day added that he had scored this position using the same Modified Princeton Job Evaluation System used for MMDC’s other positions. This position scores as a Grade 9, making it equivalent to our economic developer positions. Day noted that this would be a challenging role and said that it was his hope to advertise the position once MMDC has confirmation of receipt of MN Department of Commerce Local Grant Development Assistance Program funding. He indicated that MMDC should receive word from the Department of Commerce on this matter any day. He then requested a motion to approve the new Regional Development & Grant Specialist position and invited members of MMDC’s Personnel Committee to comment if they had anything additional to add.

Commissioner Robert Moller made a motion to approve the Regional Development & Grant Specialist position, as presented. Commissioner Berit Spors seconded the motion, which carried with no dissent, after discussion.

Discussion included a clarification from Day, at the request of Commissioner Roger Imdieke, that Day was looking only for approval of the new position description at this meeting.

**Consideration of Personnel Policy Updates for State of Minnesota Sick & Safe Leave Time Compliance:** Day pointed to Personnel Manual information that was included within the Commission Materials Packet. This information included a summary of Minnesota’s Sick and Safe Time requirements.

Day noted that, while some relatively minor adjustments are necessary, MMDC’s sick leave accumulation rate already satisfies the state’s requirements. He indicated that the changes presented this evening will have little or no foreseeable impact on MMDC’s budget, as they involve no additional benefit to full time staff and MMDC employs no part-time staff. Day referred to the specific MMDC Personnel Policy Manual revisions, also contained within the meeting materials packet, and informed that most significant changes involve the definition of family member and the eligible sick and safe leave uses. Day informed that both of these things are dictated by the state and out of our control.

Day went onto inform that MMDC’s Personnel Committee reviewed all MMDC benefits and the suggested revisions on November 27. At that time, the Committee approved a motion to recommend their adoption at the December Commission meeting. Day invited MMDC’s Personnel Committee members to comment if there was anything they wanted to add.

Commissioner Krueger inquired as to whether the state’s requirement for one hour of accumulated Sick & Safe Leave for every 30 hours worked was included within the suggested revisions. Day indicated that MMDC’s sick leave accrual already meets that standard. Commissioner Krueger asked if the one hour of Sick & Safe Leave earned for every 30 hours worked was over and above what employers were already doing. Day informed that this was not the case and that MMDC a policy in place which offers slightly more time than the state’s minimum requirement.

With no other questions or comments, Commissioner Carl Shuldes made a motion to approve the suggested MMDC Personnel Policy revisions, as presented. Commissioner Tiffany Barnard seconded the motion, which carried with no dissent.

**Cost-of-Living Adjustment (COLA), Health Savings Account (HSA) and Medical Premium Contributions Recommendations:** Day pointed to his staff recommendation for a cost-of-living wage adjustment for the 2024 calendar year. Day reminded the Commission that the purpose of the COLA is to ensure staff’s earnings are not eroded by inflation. He also noted that this is essential to help MMDC stay competitive with other employers, so we can attract and retain quality staff.

Day provided an explanation of the information he uses to determine his recommendation each year. These include:

* Anticipated changes to MMDC’s health insurance premiums. Day noted that, this year, MMDC’s health coverage premiums were down, just slightly, our high-deductible plans (insurance rates, deductible, and maximum out-of-pocket information was contained within the meeting materials packet).
  + The impact of inflation over the past year. Day explained that he considers October of the current year compared to October of the previous year. This information becomes available in November. This year, the Consumer Price Index showed a year-over-year inflation rate of 3.2%
* The cost of living adjustment provided by the social security administration. The 2024 adjustment will be 3.2%..
* MMDC’s budget and what we’re financially capable of offering.

Day said that, based on this information, he is recommending:

1. No change in the rates at which MMDC covers health insurance premiums (100% for employee only policies and 76% for family policies).
2. No change in MMDC’s $230 per month Health Savings Account contribution
3. A 3.0% cost-of-living adjustment.

Day informed that MMDC’s Personnel Committee met on November 27 and, at that time, after considering the information provided, decided to bring a recommendation for a 3.0 percent(%) cost-of-living adjustment forward to the full Commission, with no change in the monthly Health Savings Account contribution or percentages of health premiums covered by MMDC. Day then invited any Personnel Committee members to provide additional input or clarify any of his statements, if desired.

Commissioner Kevin Crowley made a motion to approve an upward cost-of-living wage adjustment of thee percent (+3.0%), with no change in MMDC’s health savings account contribution and no change in the percentages of health premiums covered by MMDC. Commissioner Robert Moller seconded the motion, which carried with no dissent.

Commission Chair Mueske expressed his gratitude to the MMDC Personnel Committee for their thoughtful consideration of the personnel related items on the meeting’s agenda.

**Executive Director’s Staffing Plan Update:** Day reminded the Commission that MMDC Planner Ben Dolan will be departing MMDC just before the holidays to prepare for the MN Bar Exam. Day stated that, until MMDC knows what happens with the MN Department of Commerce funding opportunity (Local Grant Development Assistance Program), he will not be ready to advertise for a new professional. Day added that he was hopeful the Department of Commerce will come through with funding and that MMDC will be able to, in the near term, fill the Regional Development & Grant Specialist position (position description that was approved at this meeting). He noted that he expected this person may, outside of the time funded by Commerce, have some time for other community planning.

Day stated that this plan may change if the McKnight Foundation contributes additional dollars for MMDC to expand grant writing and assistance services, as this would mean more of the Regional Development & Grant Specialists time will be occupied with grant assistance, leaving little, if any time for community planning work. Day stated that, if McKnight does come with additional funds, this likely wouldn’t be until May 2024, at the earliest. He explained that, as of right now, while McKnight is making more of their own money available, they’re also looking for additional philanthropic partners to contribute to the effort.

Day also shared that his staffing plan may change if MnDOT provides additional Transportation Planner funding or if additional contract work comes our way. He said that he will remain ready to refill MMDC’s Community Planner position if and when the volume of the work makes it necessary and said that he will keep the Commission informed on this matter. He added that it’s probably not a matter of if but when MMDC will be filling the Community Planner vacancy and that he is proceeding with both caution and optimism.

**Aging Related Information and Update:** Commissioner Maureen Melgaard-Schneider informed the Commission that the Social Security Administration has announced a 3.2% COLA for recipients in the 2024 Calendar Year. Some retirees might be disappointed in this rate given the much larger increases received in the past two calendar years but this is still above the 10-year average increase of 2.8%.

Commissioner Melgaard-Schneider informed that, since 1975, the Social Security COLA has been calculated using the Consumer Price Index (CPI). However, this index doesn’t survey the costs of retired households over age 62, which is troublesome because older and disabled Social Security recipients typically spend a larger share of their incomes on housing and medical costs – two spending categories that tend to rise more quickly than overall inflation.

Commissioner Melgaard-Schneider informed that caregiving is on the State of Minnesota’s Radar. She noted that, in Minnesota, for the year 2021, approximately 530,000 family, friends, and neighbors provided caregiving for an older adult. The estimated value of this assistance is $10 billion each year. In 2022, 163,000 caregivers provided 225 million hours of unpaid care, valued at $5.25 billion.

In 2020, 99,000 Minnesotan’s were living with Alzheimer’s Disease or another form of dementia. This number is expected to increase by 21.2 percent by 2025. Most people living with Alzheimer’s and other dementias (95%) have at least one other chronic condition, such as heart disease, diabetes, or stroke. Alzheimer’s complicates the management of these chronic conditions, resulting in poorer health outcomes and quality of life, as well as increased healthcare costs. As many as 40 percent of family caregivers of people with Alzheimer’s and other dementias suffer from depression and caregiver burnout is the leading cause for placement in a residential setting like an assisted living facility or nursing home.

Commissioner Melgaard-Schneider stated that our long-term services and supports system would collapse without the contributions of unpaid caregivers and that less than five percent of these caregivers are receiving services via state-funded programs.

Commissioner Melgaard-Schneider informed that, on November 30, 2023, the Minnesota Board on Aging and the Minnesota Department of Human Services convened caregivers from throughout the state to consider how to help caregivers maximize the supports that are available, to raise awareness and appreciation for the value of caregiving and available resources, and to continue advocating for caregivers in other sectors.

Commissioner Melgaard-Schneider also informed that the Legislative Task Force on Aging continues to receive testimony from various organizations and individuals, such as the MN Board on Aging, MN Department of Human Services, MN Department of Health, Alzheimer’s Association, and many others. Parties interested in providing testimony can submit their story at <https://www.lcc.mn.gov/aging/>, however she is looking forward to moving beyond testimony and onto the assembly of a framework that will help to address the issues.

Commissioner Melgaard-Schneider recommended that Commissioners keep an eye out for the recent Chevrolet thought provoking holiday advertisement, depicting an older person with dementia (that advertisement can be found at: <https://www.youtube.com/watch?v=fMOV-Kxi04k>).

Finally, Commissioner Melgaard-Schneider indicated her great concern over the lack of recognition our caregiving professionals receive. She noted that she had a recent conversation with another professional who noted that some people are happy to talk about the fact they work at a Starbuck’s. However, caregiving workers are often more hesitant to share the fact that they work in the care industry.

**Items of Interest from Other Elected or Public Interest-Representing Commissioners:** Chair Shawn Mueske opened the floor for any Commissioner to share information on any topic of interest. Commissioner Rollie Nissen informed that this year’s Highway 23 construction has concluded. With the exception of a four to six mile stretch between New London and Hawick, which will be completed in 2024, the highway is now four-lane for the entire length of Willmar to St. Cloud. No detours are in place. The Coalition will continue to work on this effort until Highway 23 is a divided four-lane all the way from I-90 to I-35, though this is expected to take many years.

Commissioner Robert Moller inquired as to where the next stretch of improvement will be located. Commissioner Nissen informed that there are studies underway presently. He said that the two areas being considered are located between Marshall and Granite Falls and between Marshall and Pipestone.

Commissioner Doug Krueger mentioned that, while it’s progressing much more slowly, progress is being made on U.S. Highway 212, the most progress he’s seen in decades. The last remaining stretch of two-lane highway, between Glencoe and the Twin Cities, will become a divided four-lane highway in 2024, between Cologne and Norwood MN, just east of the MMDC region. This will benefit anyone from our southern region who travels to the Twin Cities via Highway 212. He also noted that the project is currently under budget by about $7 Million.

Commissioner Roger Imdieke noted that the work that is left on Highway 23 will be done under traffic. He also noted that the on/off ramps just west of Willmar have now been completed. There is also a plan to convert the remaining stretch of two-lane on Willmar’s bypass to four-lane divided. Much of the work (site prep, etc., was completed over forty years ago, though never finished.

Commissioner Lorallen Schmeling noted that the new roundabout at the intersection of MN Highway 7 and McLeod County Highway 1 is completed and that he is hopeful this will reduce the number of serious accidents and fatalities. This intersection has a significant crash history. Commissioner Krueger added that construction of a roundabout at the intersection of U.S. 212 and Morningside, in Glencoe, will occur in 2024. Commissioner Yodee Rivera noted that she crosses at this intersection everyday and it can be scary.

Commissioner Doug Erickson noted that there are two intersections in Renville County that will be changed to a four-way stop, due to a number of accidents, including recent fatalities. He noted that the stop signs will include blinking LEDs to ensure they are noticed.

Commissioner Tiffany Barnard informed that several referendums in the MMDC region were passed, including the BOLD and Buffalo Lake-Hector-Stewart District’s. However, many districts across the state were not as fortunate.

Commissioner Barnard also informed the Commission of the literacy-focused Reading to Ensure Academic Development (READ) Act. She noted that this is a change that is already showing results in the Hutchinson District. She also noted that, in Hutchinson’s kindergarten and first grade classrooms, test scores have gone from 43% at-risk for literacy to just 8% at-risk in one year. She also noted that the Hutchinson district has a large number of staff who are trained on the new teaching methods, which return the focus to phonics rather than site-words. Commissioner Barnard noted that, while the state’s investment was significant, it is not enough to carry-out the mandate. She expects, as a result, more districts will need to pass operating levies to avoid cuts.

**Revolving Loan Fund Update:** MMDC Economic Developer Michelle Marotzke provided a brief overview of the status of MMDC’s revolving loan funds. Marotzke informed that MMDC has about $210,000 available for lending at this time. $6,462, the amount remaining from the initial disbursement of MMDC’s ARPA RLF must be lent by April 2024. Marotzke added that there are currently three to five projects in the MMDC’s pipeline. These projects total about $200,000. Marotzke noted that, while higher interest rates have resulted in a lending slowdown, it appears that borrowers have adjusted to this new normal. She added that potential borrowers haven’t been taken aback recently when MMDC’s rate has been shared (one point over the prime rate, as published in the Wall Street Journal – prime is currently at 8.5 percent, so MMDC is at 9.5 percent).

Marotzke then informed that the U.S. Economic Development Administration determines a risk rating for all districts each year. This year, MMDC’s went from a B rating to an A rating. This is due to quality financial reporting and fund management. MMDC’s score is currently 40 of a possible 45.

Commissioner Kevin Crowley asked Marotzke to remind the Commission of loan size parameters. Marotzke informed that, per MMDC’s lending plans, loans may range in size from $7,000 to $150,000, adding that there are exceptions for higher amounts but that MMDC has, in recent years, not lent more than $150,000.

Day stated that he believes that three of the projects Marotzke and Economic Developer Nate Reuss are working on are more likely to come to fruition in the relative near future. Marotzke added that she anticipates that, by January or February 2024, these project applications may be ready for approval.

**Other:**

Commission Chair Mueske inquired as to if there was any other business to come before the Commission at this meeting. Day noted that the only thing he wanted to add was that he hoped all Commissioners had a Merry Christmas and a happy holiday season.

**Adjournment:**

With no further business, Commissioner Robert Moller moved to adjourn the meeting. Commissioner Kevin Crowly seconded the motion, which carried with no dissenting votes.

Chairperson Shawn adjourned the meeting at approximately 7:40 p.m.

Respectfully Submitted,

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Eric Day, Acting Secretary

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Dave Sebesta, Secretary

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Shawn Mueske, Chairperson

**The Next Full MMDC Commission Meeting Will Occur on Wednesday, January 24, at 6:00 p.m.**

(Likely in McLeod County. Specific Location to be Determined)